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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission of Support in East Timor

Financial performance report for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission of Support in East Timor

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06[a]	$1,662,200
Expenditure 2005/06[a]	$1,619,600
Unencumbered balance[a]	$42,600

[a] These figures relate to the 2005/06 performance period, covering the administrative liquidation period from 1 July to 31 October 2005.

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report on the budget of the United Nations Mission of Support in East Timor (UNMISET) for the period from 1 July 2005 to 30 June 2006 (A/61/670).

2. The general report of the Advisory Committee on the administrative and budgetary aspects of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to UNMISET.

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3. The documents used by the Advisory Committee in its consideration of the financing of UNMISET are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

Mandate and results

4. By its resolution 1573 (2004), the Security Council extended the mandate of UNMISET for a final period of six months until 20 May 2005. In its resolution 59/13 A, the General Assembly approved resources for the administrative liquidation for the period from 21 May to 30 June 2005. The budget for the completion of the administrative liquidation of UNMISET for the period from 1 July to 31 October 2005, which was set out in the report of the Secretary-General dated 21 December 2004 (A/59/637), amounted to $3,856,200 gross ($3,589,000 net).

5. Following a review of the requirements and the progress made in the liquidation of UNMISET during the 2004/05 period, the liquidation budget was reduced by $2,194,000 gross ($2,046,200 net) to $1,662,200 gross ($1,542,800 net). The updated budgetary requirements provided for 38 international and 90 national staff, as well as eight United Nations Volunteers. On the recommendation of the Advisory Committee contained in its report on UNMISET (A/59/736/Add.17), the General Assembly, by its resolution 59/13 B, appropriated the reduced amount for the period from 1 July to 31 October 2005. This amount was assessed on Member States.

6. Upon enquiry, the Advisory Committee was informed that the final performance report for UNMISET would be prepared for consideration by the Committee during the first quarter of 2008. **The Advisory Committee recommends that all unencumbered balances be credited to Member States without delay and urges the Secretariat to expedite the preparation of the final performance report for UNMISET for consideration by the Committee during the fourth quarter of 2007.**

7. The Advisory Committee notes that the General Assembly, in its resolution 61/264, requested the Secretary-General to submit a detailed report on after-service health insurance to its sixty-third session. **Pending a decision by the General Assembly, the Advisory Committee recommends that the full amount of other income and adjustments, amounting to $31,793,300, as well as a portion of the unencumbered balance for UNMISET for the 2005/06 period, amounting to $2,600, which had been proposed for meeting after-service health insurance liabilities, should be credited to Member States.**

Information on financial performance

8. The Advisory Committee was informed that, as at 31 December 2006, a total of $1,773,423,700 had been assessed on Member States with respect to UNMISET since its inception. Payments received as at the same date amounted to $1,750,517,300, leaving an outstanding balance of $22,906,400. As at 26 March

2007, the financial resources of the Mission totalled $17.1 million. This reflects full reimbursement to contributing countries for troop costs/formed police units, contingent-owned equipment and self-sustainment. As at 30 June 2006: $1,483,800 had been paid for 48 claims for death and disability compensation since the inception of the Mission; unliquidated obligations amounted to $19,900; and no claims remained outstanding.

Utilization of resources

9. Expenditures for the period from 1 July 2005 to 30 June 2006 totalled $1,619,600 gross ($1,495,400 net), which is $42,600, or 2.6 per cent, lower than the appropriation of $1,662,200 (see A/61/670, sect. II.A).

10. The Mission's unutilized balance of $42,600 is the net effect of savings and additional requirements under various line items. Savings were mainly attributable to lower requirements under: (a) facilities and infrastructure owing to the fact that minimal repairs were needed for facilities being returned to the Government of Timor-Leste; (b) communications, after the decommissioning of the satellite phone service; (c) other supplies, services and equipment resulting from the decision not to move the generators to the United Nations Logistics Base in Brindisi, Italy, but to transfer them to the United Nations Office in Timor-Leste (UNOTIL). Overexpenditures relate primarily to: (d) international and national staff salaries, staff assessment, common staff costs, the higher cost of air travel for the repatriation of United Nations Volunteers and a 5.4 per cent increase in the revised local salary scale effective 1 May 2005; (e) communications, following the donation of communication towers with very-high frequency repeaters to the Government and the resulting need to acquire hand-held high frequency radios for UNMISET staff; and (f) foreign exchange losses.

Communications

11. For the 2005/06 period, there was no apportionment for the acquisition of communications equipment but a total of $136,800 was expended. Upon enquiry, the Advisory Committee was informed that during the commencement of the liquidation of UNMISET on 21 May 2005, the communication towers with very-high frequency repeaters were earmarked for donation to the Government of Timor-Leste. There was no further need for the equipment and it was not cost-effective to transfer it to other peacekeeping missions. The equipment was therefore donated to the Government. During the final liquidation stage, from July to October 2005, more advanced equipment with wide-range coverage capability was required to provide efficient and effective communication support to the UNMISET liquidation team and to the follow-on political mission, UNOTIL. This made the purchase of hand-held high frequency radios necessary.

III. Conclusion

12. The action to be taken by the General Assembly in connection with the financing of UNMISET for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 15 of the performance report (A/61/670). **The Advisory Committee recommends that the unencumbered balance of $31,793,300 and other income/adjustments in the amount of $42,600 for the period ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 7 above).**

Documentation

- Performance report on the budget of the United Nations Mission of Support in East Timor for the period from 1 July 2005 to 30 June 2006 (A/61/670)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance for the period from 1 July 2003 to 30 June 2004 and the proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission of Support in East Timor (A/59/736/Add.17)
- Budget for the United Nations Mission of Support in East Timor for the period from 1 July 2005 to 30 June 2006 (A/59/637)
- General Assembly resolutions 59/13 A and B
- General Assembly resolution 61/264
- Security Council resolution 1573 (2004)
- Financial report and audited financial statements for the 12-month period from 1 July 2005 to 30 June 2006; report of the Board of Auditors; Volume II, United Nations peacekeeping operations (A/61/5 (Vol.II))